

# FY 2012-13 PROPOSED BUDGET





# Agenda

- The Road to “Fiscal Resiliency”
- Council Budget Recommendations (May 25 Workshop & June 5 Council Meeting)
- Updated Proposed Budget for Fiscal Year 2012-13



# Establishing Fiscal Stability

- Chula Vista Fiscal Health Plan (Council Supported January 2009) – Implemented four pronged approach to stabilize City finances
  - Budget and Fiscal Reforms
  - Expenditures
  - Increase/Protect Revenues
  - Economic Development



# Budget Reductions

- Reduced Executive and Management positions
- Second tier retirement benefits for new hires
- All employees pay 100% of their share of pension costs
- Elimination or deferral of scheduled cost of living increases
- Elimination of retiree health care subsidy for new hires



# Implemented Budget Balancing Measures

## Allocation Basis for Budget Reductions

Non Personnel Reductions

Executive Positions

Management Positions

Support Departments

Recreation and Library

Public Works

Public Safety:

Police &

Fire



# Implemented Budget Balancing Measures

Service Area	FY07-FY12 Reduction (\$)			FY07-FY12 Reduction (%)		
	Personnel	Supplies & Services	Total	Personnel	Supplies & Services	Total
<b>Service Cuts</b>						
Library	\$ (5,454,000)	\$ (1,577,000)	\$ (7,031,000)	-67%	-86%	-71%
Recreation/ Nature Center	\$ (4,053,000)	\$ (914,000)	\$ (4,967,000)	-66%	-73%	-67%
Legislative/ Admin	\$ (4,825,000)	\$ (2,014,000)	\$ (6,839,000)	-28%	-46%	-32%
Dev/ Maintenance	\$ (13,142,000)	\$ (1,921,000)	\$ (15,063,000)	-29%	-17%	-27%
Police	\$ (3,358,000)	\$ (815,000)	\$ (4,173,000)	-7%	-21%	-8%
Fire (Excluding Dispatch)	\$ (495,000)	\$ (604,000)	\$ (1,099,000)	-2%	-35%	-5%
<b>Service Transfers</b>						
Fire Dispatch**	\$ (1,122,000)	\$ 423,000	\$ (699,000)	-100%	1143%	-60%
<b>Total</b>	<b>\$ (32,449,000)</b>	<b>\$ (7,422,000)</b>	<b>\$ (39,871,000)</b>	<b>-22%</b>	<b>-30%</b>	<b>-24%</b>

**COLA and pension costs  
eliminated or deferred**

**\$ (11,235,000) \$ - \$ (11,235,000)**

<b>Total Cuts</b>	<b>\$ (43,684,000)</b>	<b>\$ (7,422,000)</b>	<b>\$ (51,106,000)</b>	<b>-22%</b>	<b>-30%</b>	<b>-24%</b>
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\*Includes General Fund budget and other funds where the City directly budgets personnel expenditures (Development Services, Wastewater, Environmental Services, Transit, Fleet, ARRA and Police Grant Funds).

\*\*Fire Dispatch services now provided via contract with City of San Diego, with no reduction in service levels.



# Staffing Reductions by Service Area

Service Area	FY 2006-07	FY 2011-12	FY07–FY12 Reduction	%
<b>Service Cuts</b>				
Library	70.75	21.00	(49.75)	-70.3%
Recreation/ Nature Center	43.25	17.00	(26.25)	-60.7%
Dev/ Maintenance	472.75	308.75	(164.00)	-34.7%
Legislative/ Admin	144.50	100.50	(44.00)	-30.4%
Police	381.50	343.50	(38.00)	-10.0%
Fire (Excluding Dispatch)	140.00	134.00	(6.00)	-4.3%
<b>Service Transfers</b>				
Fire Dispatch	11.00	-	(11.00)	-100%
<b>Total</b>	<b>1,263.75</b>	<b>924.75</b>	<b>(339.00)</b>	<b>-26.8%</b>

*Notes:*

- 1. Fire Dispatch services now provided via contract with City of San Diego, with no reduction in service levels.*
- 2. Total reductions reflect only permanent positions – chart does not reflect reductions to hourly staffing.*





# Staffing Reductions by Bargaining Group

Bargaining Group	FY 2006-07	FY 2011-12	FY07–FY12 Reduction	%
Senior Managers	47.00	27.00	(20.00)	-42.6%
Executives	24.00	14.00	(10.00)	-41.7%
Chula Vista Employees Assoc.	609.25	374.25	(235.00)	-38.6%
Mid Managers/Professionals	141.50	89.00	(52.50)	-37.1%
Western Council of Engineers	37.00	26.00	(11.00)	-29.7%
Confidential	24.00	19.50	(4.50)	-18.8%
Police Officers Association	247.00	225.00	(22.00)	-8.9%
Mayor & Council	5.00	5.00		
International Association of Fire Fighters	112.00	124.00	12.00	10.7%
Subtotal (less CBAG)	1,246.75	903.75	(343.00)	-27.5%
CBAG	17.00	21.00	4.00	23.5%
<b>Total</b>	<b>1,263.75</b>	<b>924.75</b>	<b>(339.00)</b>	<b>-26.8%</b>

*Notes: 1. IAFF reflects 13.0 positions transferred from other bargaining groups. 2. Total reductions reflect only permanent positions – chart does not reflect reductions to hourly staffing.*





# Improving Operational Efficiency

- Developed Fiscal Recovery and Progress Plan
- Operating under “new normal” model of service delivery through implementation of:
  - Continuous Improvement Program
  - Customer Service Improvement program
  - Contracted Services (currently contract for over 50 City services)
  - Public/Private partnerships
  - Public/Public partnerships





# Moving Forward

- Fiscal Recovery and Progress Plan:
  - Identifies key issues that impact City's financial stability
  - Highlights steps Council has taken to stabilize City finances through severe financial crisis and steps taken toward financial resiliency
  - Implements Continuous Improvement Visual Controls
  - Serves as a communication tool for the City Council, Community, Rating Agencies, Investors and City Staff
  - Includes Next Steps in addressing various issues or identifies the need for additional analysis



# Moving Forward

- Long Term Financial Plan – Provide additional analysis and long-term strategies to address major issues. The goal is to achieve financial resiliency in order to secure services to our community



# Steps Toward Financial Resiliency

- General Fund reserves have increased slightly over the past three years, moving above 8%
- Maintained a favorable bond rating during severe economic downturn
- Issued final payment related to 1996 Pension Obligation Bonds
- Repaired all corrugated metal pipe identified as needing immediate attention in 2005 Baseline Condition Study



# City Staffing

City	Population	Number of employees
Orlando, FL	238,300	3,023
Madison, WI	233,209	3,000
Henderson, NV	257,729	2,963
St. Petersburg, FL	244,769	2,600
Fort Wayne, IN	253,691	2,000
Glendale, AZ	226,721	1,972
Plano, TX	259,841	1,949
Jersey City, NJ	247,597	1,887
Chandler, AZ	236,123	1,511
Chula Vista, CA	243,916	929

Notes: Population and staffing data is based on information available on city websites. The programs and services offered by each City differ – this comparison is meant to provide a general comparison of staffing with other cities of similar size.



# **Updated General Fund Budget Fiscal Year 2012-13**

# City Council Proposals – FY2013

Department: Police

City Council Proposals	Initial Estimated Cost	Staff Recommendation	Proposed FY2013 Changes
Add Community Services Officers (2.5 to be added mid-year)	\$ 80,000	Staff recommends adding 2.5 CSO positions in order to improve proactive time by 2%	\$ 80,000
Domestic Violence Response Team - Add funding for SBCS DVT to add back funding due to loss of grant. Requesting an additional \$125,000	\$ 125,000	Update: Fiscal year 2012-13 budget includes \$50,000 for this program. Additional \$125,000 in funding for SBCS DVRT program will increase annual funding to \$175,000.	TBD
Council consideration of additional Police staffing resources	unknown	Staff is supportive of the Public Safety sub-committee's recommendation to implement the measures identified in the Matrix study and expedite the verified alarm measure to occur by December 2012. Will add approximately 5% of additional proactive patrol time. Changes column reflects approximately 6 months of revenue loss from the elimination of the false alarm fee.	\$ 37,500



# City Council Proposals – FY2013

Department: Public Works

City Council Proposals	Cost	Staff Recommendation	Proposed FY2013 Changes
Park Maintenance & Repair - Add park maintenance staff. (Funding reflects increased hourly staffing).	\$ 115,191	The fiscal year 2012-13 budget includes a new minor CIP of \$359,000 for improvements at various City facilities through one-time grant funding. Staff recommends re-evaluating this request for FY2013-14 once grant funds have been exhausted.	Allocated to program per Council recommendation
Park Maintenance & Repair - Add funding for "sprucing up of" Memorial Park	\$ 15,000	The City was recently notified that the State Housing Grant award has increased by approximately \$100,000. This additional funding will be used for improvements at Memorial Park.	\$ 100,000
Add funding to enhance Park Ranger program	\$ 100,000	The proposed budget includes \$50,000 for funding of hourly staffing for this program. The additional \$70,000 will allow for additional hourly staffing to better meet service needs, close restrooms later, and pick up trash more often	\$ 70,000

# City Council Proposals – FY2013

Department: Public Works

City Council Proposals	Cost	Staff Recommendation	Proposed FY2013 Changes
Add funding to enhance Park Ranger program – additional services	Cost not identified	Additional hourly support of \$30,000 would allow for a dedicated Park Ranger (hourly) to ensure gazebos are clean and available for park reservations . This position will also coordinate the ranger volunteer program. Combined - total funding for Park Ranger program will total \$150,000.	\$ 30,000

# City Council Proposals – FY2013

Departments: Recreation, Development Services, and City Attorney

City Council Proposals	Cost	Staff Recommendation	Proposed FY2013 Changes
Development Services (Code Enforcement): Add staffing to address sign violations.	Cost not identified	Staff will be reassigned to conduct targeted sign ordinance violation enforcement. Staff will return to Council in 90 days to report on any revenue impacts. Staff will also continue to explore other revenue generating ideas.	Will reallocate existing resources per Council direction
Nature Center (Recreation): Fund utility costs for a few more years for the operations of the Nature Center.	\$ 75,568	Budget includes \$240,000 in support –reconsider utility request when port funding is determined. Update: Reduce revenues to include 3 months of City paid utilities while issue is resolved.	\$ 18,892
City Attorney: Public Safety Advocacy Program - Continue funding Attorney position and program cost	\$ 200,000	Update: Add \$152,200 to fund a Deputy City Attorney II position to transition Neighborhood Prosecution Program to Public Safety Advocacy Program. This position will focus on implementing problem oriented policing strategies to help free up officer time to increase proactive patrol time. Clerical support will be absorbed by current staff in City Attorney and Police departments.	\$ 152,200



# General Fund Summary

Department	Description	Revenues	Expenditures	Net Cost
<b>Proposed Changes:</b>				
Police	Add 2.5 Community Service Officers	\$ -	\$ 80,000	\$ 80,000
Police	Implement verified response	\$ (37,500)	\$ -	\$ 37,500
Public Works	Add hourly park maintenance staffing	\$ -	\$ 70,000	\$ 70,000
Public Works	Add hourly Park Ranger program staffings	\$ -	\$ 30,000	\$ 30,000
	Reduce reimbursement revenue from Nature			
Recreation	Center	\$ (18,892)	\$ -	\$ 18,892
City Attorney	Add Deputy City Attorney II	\$ -	\$ 152,200	\$ 152,200
	Total Proposed Changes:	\$ (56,392)	\$ 332,200	\$ 388,592
<b>Budget Balancing Measures:</b>				
Non-Dept	Increase salary savings	\$ -	\$ (192,592)	\$ (192,592)
Various	Add staff time reimbursement revenue related to approved ROPS	\$ 136,000	\$ -	\$ (136,000)
Non-Dept	Add lease revenue and utility savings from Ken Lee lease agreement	\$ 60,000	\$ -	\$ (60,000)
	Total Budget Balancing Measures:	\$ 196,000	\$ (192,592)	\$ (388,592)
	Total Net Changes:	\$ 139,608	\$ 139,608	\$ -



# General Fund Summary

Description	Revenues	Expenditures	Net Cost
Proposed General Fund	\$ 124,147,074	\$124,661,074	\$ (514,000)
Program Changes	\$ 139,608	\$ 139,608	\$ -
Miscellaneous budget clean up items as presented on June 5, 2012	\$ 37,500	\$ 37,500	\$ -
<b>Updated Proposed General Fund</b>	<b>\$ 124,324,182</b>	<b>\$124,838,182</b>	<b>\$ (514,000)</b>

Note: Proposed General Fund expenditures exceed projected General Fund revenues due to the use of reserves for the Bonita/Long Canyon capital improvement project of \$514,000.



# FY2012-13 Proposed Changes

## All Funds Summary

Description	Revenues	Expenditures
Updated General Fund	\$ 124,324,182	\$ 124,838,182
FY2013 Proposed Other Funds	\$ 135,471,273	\$ 149,179,969
Additional State Housing Grant funding	\$ 105,600	\$ 105,600
Adjustments to Other Funds as presented on June 5, 2012	\$ 265,466	\$ 265,466
Updated FY2013 Other Funds	\$ 135,842,339	\$ 149,551,035
Updated All Funds Budget	\$ 260,166,521	\$ 274,389,217



# Staff Recommendation

- That Council accept the changes to the General Fund and direct staff to:
  - Post City Council Proposed budget on website and City Clerk's Office for public review at least 10 days in advance of June 28 Council Meeting
  - Return to Council on June 28 for a public hearing and Council adoption of the budget